	26 January 1961
PANDIM FOR:	Acting Chief, Contract Administration Branch
3	Inspection Branch
ECP .	Visitation Report
	TO-TA CONTINED TO-
around	
Durane of	visit was to inspect the Government Owned Special Tooling
ged to Proj	ects PSC-148 and PSC-164 in possession of and various to Chicago area. The total GFE, consisting or over 300 items ing (primarily dies), is valued at \$176,455.90 (original cost).
if classic wines	
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Park (M-5-6000, ext 2082). No security problems were encountered. I visited suppliers with and was introduced as a "Government Representative." No 25X1 one requested further details. GFR Accountability Under Present Contracts Explained our new system of accountability of GFE to 25X1 and left Property Record Cards (Form 278) for his use. assured me that 25X1 he would properly execute the cards and send them to us as soon as possible. Inspection of Special Tooling No arrangements for visiting suppliers had been made by 25X1 to my arrival. Therefore, the first afternoon, after lunch and brief tour of the new facility and assembly line operations, was spent in going over GFE records and in calling suppliers to line up visits to their 25X1 This was no easy task as some suppliers resent inspections, which consume much of their time, on such short notice. Some asked for one week's notice to enable them to locate all of the tools and have them available for inspection. Many were unhappy with because they have been 25X1 required to store and account for these dies for 9 years and have repeatedly requested disposition instructions. Enspections of tooling were made at the following locations. A detailed report, including weight and cubic estimates, is available in the GFE files of the Inspection Branch. Dies were stamped with Part No. or with 25X1 Gurplier's Die Runber. 1) E. J. Tool & Manufacturing Co. 3hOL N. Knox, Chicago Contact -25X1 All 5 dies accounted for and in good condition. 2) Grand Sheet Motal Corks 2055 N. Ruby Ct. Melrose Park 25X1 Contact -

All 5 dies accounted for and in good condition. Botha did not have time to track down a "drill fixture," valued at \$35, but was sure that it was somewhere in the plant.

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Graybill

Cherry Electrical Products Corp. 4 items listed with cost of \$965. None of	thora
were located. will check further and ad	
ASIA TOCHCAT.	AT A O V I
General Instrument Corp.	
1 item listed - not located. will o	heck
further and advise.	
Doebler-Jarvis Corp.	
4 listed charges totalling \$25,065.00 appe	rently apply
to a large casting die. This die, weighing abo	out 13 tons
was shipped from Doehler-Jarvis Corp., Grand F	lapids.
Michigan, toin June 1957. (Possibly	Doehler-
Jarvis refused to store it any longer.)	·
Shipping Dept., remembers seeing it at one of	
plants in Chicago. This item could not be loc	ated. Search
for it reportedly continued during the remaind	
in Chicago but it was not found when I left.	vill
notify when located. According to the	head of
Purchasing Dept. who has responsible	
tooling is already in disfevor and that this	
probably be used as a means of transferring hi	im.
\$ @	
b) Tooling acquired and stored by	
D1es	
14 dies and fixtures spot checked	*
•	
Miscellaneous	
The state of the s	
80 items with original cost of \$2,526.90 c	consisted pri-
marily of small fixtures, tools, and jigs used	
operations. Items, along with hundreds of oth	CALLED II .

were taken out of their normal storage area, placed in cartons and literally dumped on the floor on a lower level prior to moving. It was a confused state and hours were spent in locating our property in the heap of rubble. Eventually located 67 out of the 80 items. Little was found of any

very apologetic concerning the disorganized array of the tooling and stated that had I arrived 2 weeks earlier or 2 weeks later

or to the Government. Doyle was

25X1

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the items would be organized on shelves.

monetary value to

0) Grozane, Inc.	1
6201 Roward, Riles	25X1
Contact -	25/1
Crozene was listed as having "Tools" valued at \$625. Called	
to obtain detailed description of the tools as details were not	
available in records. Was advised that they had a blanking	25X1
die and a curling die for Part \$430101.	25X1
9) F and K Tool and Hannfacturing Co.	
4700 West Le Moyne, Chicago	
Contact •	25X1
P and K Tool was listed as having 6 dies and 5 "Tools" with a total value of \$4,297.38. Called to obtain a detailed description of the tools. promised to call back but did not do so during stay. will notify. It is alsost certain that the "tools" are special dies.	25X1 25X1
10) Radio Condenser Co. Midwest Sales Div. 4535 Armitage Ave., Chicago Contact -	25X1
This firm is listed with custody of "Tools to produce capacitor"	
request of \$15.620.00. At my request called to obtain a	25X1
description of these tools. These were located at the Watseka plant	
(100 miles south of Chicago) and the contact will check and itemize in	
a letter to as soon as possible. It is believed that these are partial tooling charges.	25X
11) The Junes Knights Co.	
101 E. Church St., Sandwich, Ill.	
Contact -	25X1
Called to determine availability of a Hewlett-Rackard Model 524/1 Frequency Counter for inspection. See paragraph - Equipment of Probable Value to the Agency.	
12) Superior Plantics Co.	
426 N. Oakley Blvd.	2574
Contact -	25X1
Called Superior Plantics to set up a visit. They are listed as baving a die, 6 paint sprey machines and film negative for photo screen. claimed that the "die" is actually a 2-cavity mold, which is	25X

available, and that the 6 paint spray <u>machines</u> were actually 6 paint apray <u>masks</u> (valued at \$10.00 each). The masks, however, could not be located as of 19 January. Apparently someone misinterproted the word "masks" as an abbreviation for "machines" and they were so lieted.

25X1

During my 32 days in Chicago, visited or checked by phone, 12 out of the listed as having our special tooling total of bl suppliers (including under PEC-148 and PSC-184. About 85% of the total value of tooling is in custody of suppliers contacted. Many of the remaining suppliers are located distant from Chicago, e.g., New York, Chio, and Massachusetts. It is estimated that it would require the full time of one inspector for a period of 3 weeks to check each item of each supplier. To the best of my knowledge, the only , other than scrap value, is the item that would be of value to us or Frequency Counter. The remainder appears to consist of special tooling, predominantly dies, which are useable only for additional production of AS-6 units for which they were specifically designed. representatives have assured me that they do not intend to make use of these dies and that they would be scrapped.

It is estimated that the weight of the entire lot of tooling would not exceed 9 tons. The scrap value of the tooling, figured at \$20/ton delivered, would amount to less than \$200. The cost of shipping the tooling to a scrap dealer would probably exceed the scrap value.

representatives estimate that the cost of crating and shipping the tooking to us would amount to over \$30,000, based on previous experience with similar widely scattered tooling.

Equipment of Probable Value to the Avency

Of the 300 items listed in the inventory, only one is believed to be of possible future value to the Agency. This is a Hewlett-Packard Model 524A Frequency Counter, Serial \$55 (original cost, \$2,000).located at the plant of the James Enights Co., Sandwich, Illinois. Called in the afternoon of 16 January in order to verify its existence preparatory to inspection. promised to check and call me the following day. (First contact , who then introduced me as was by @ "Government representative.") Since did not call by 11 A.M., I called and learned that the equipment was located at his plant and in claimed that the equipment has operating condition. In fact, been and still is in daily use at his plant, apparently for checking crystals, both by his employees and by the resident U.S. Signal Corps inspector: He added that they had replaced a few diodes. This was a surprising admission used, only for the project for which it was loaned without written authori-This frank admission of its gotion from the U.S. Government and operating capability was as good as any on-site inspection I could give it

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SECRET

SEERET.

and, in addition, I thought it best to avoid discussing sy identity with a U.S. Signal Corps inspector. I told him that it now looked as though I could not find time to personally inspect the equipment at this time (Candwich is about 12 hours driving time west of Chicago). Although this equipment is about 9 years old and has probably had considerable use, it may be of considerable value to OC/E, and/or our contractors. It may also be of interest to determine if the James Knights Co. has charged depreciation of this equipment to other Covernment contracts.

Conclusions	
1. With one exception, all tooling in custody of the several suppliers contacted was located and inspected. The exception was a lot of 6 paint spray masks not yet located at Superior Plastics Co.	
eccountability for tooling in their custody was law and unsetisfactory. Most of the tooling could not be located by 19 January 1961. Of the \$39,105.09 valuation of tooling in their custody, less than \$10,000 could be accounted for at the time of inspection.	25X1
3. The only item believed to have a value in excess of scrap value is mixed 5244 Hewlett-Packard Frequency Counter, original cost, \$2,000, now 9 years old. (A later Model, 5246, presently costs \$2,300.) The total scrap value of the remainder would not exceed \$200.00. representatives assured me that they would not make use of the dies and that they would submit scrap varranties.	25X1
offer of \$7,500 for all tooling was generous. Even so, they are anxious to be relieved of accountability, perhaps more so since I discovered the missing tooling. Believe this to be fertile ground for negotiation and determined through discussion that they would be willing to offer \$0,500, plus return of the Frequency Counter.	25X1
Recommendation	
1. Notify that we would be willing to accept an offer of \$8,500 for all special tooling under PSC-148 and REC-186 with the exception of the Frequency Counter, Serial \$55, which should be returned to us.	25X1
2. (No an alternative of paying \$10,000 for all of the special tooling, including the Frequency Counter. In the interest of expediency,	25X ²

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may choose the latter alternative which would ectually be more advantageous to the Coverment.

ontract Inspector

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